

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1929 - SB 2115

February 11, 2014

SUMMARY OF BILL: Sets minimum standards in order for a student to receive in-state tuition at a Tennessee Board of Regents or University of Tennessee institution. Requires a student to be classified as a Tennessee resident. Requires the student to be a citizen of the United States; have resided in Tennessee for at least one year prior to admission; have graduated from a Tennessee public high school; or have graduated from a Tennessee private secondary school approved by the State Board of Education and classified as a Category I, II, or III; or have earned a Tennessee High School Equivalency Diploma.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Net Impact –

\$149,200/FY14-15/Higher Education Institutions

\$158,200/FY15-16/Higher Education Institutions

**Exceeds \$167,700/FY16-17 and Subsequent Fiscal Years/Higher
Education Institutions**

Assumptions:

- According to TBR and UT, students with foreign-born parents who are undocumented aliens and unemancipated students who have remained in Tennessee while their parents have moved out of the state will be eligible to receive in-state tuition.
- With a six percent annual increase in tuition, the average difference in FY14-15 between in-state and out-of-state tuition is estimated to be \$16,268 at a TBR university; \$11,620 at a community college; and \$16,727 at a UT institution.
- TBR estimates that 56 students currently enrolled within the TBR system will be eligible to receive in-state tuition; 28 at a university and 28 at a community college.
- UT estimates that 14 currently enrolled students will be eligible to receive in-state tuition.
- In FY14-15, the decrease in state revenue is estimated to be \$1,015,042 [(\$16,268 x 28) + (\$11,620 x 28) + (\$16,727 x 14)].
- TBR estimates that an additional 164 students will enroll at a TBR institution as a result of this bill; 82 at a TBR university and 82 at a community college.
- UT estimates an additional 43 students will enroll at a UT institution as a result of this bill.

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- With a six percent annual increase in tuition, in-state tuition in FY14-15 is estimated to be \$6,655 at a TBR university; \$3,714 at a community college; and \$7,303 at a UT institution.
- In FY14-15, the increase in state revenue for TBR is estimated to be \$850,258 $[(82 \times \$6,655) + (82 \times \$3,714)]$.
- In FY14-15, the increase in state revenue for UT is estimated to be \$314,029 $(43 \times \$7,303)$.
- In FY14-15, the net increase in state revenue to higher education institutions is estimated to be \$149,245 $[(\$850,258 + \$314,029) - \$1,015,042]$.
- With a six percent annual increase in tuition, the net increase in state revenue in FY15-16 to higher education institutions is estimated to be \$158,200 $(\$149,245 \times 106.0\%)$.
- In FY16-17 and subsequent fiscal years, the recurring net increase in state revenue to higher education institutions is estimated to exceed \$167,692 $(\$158,200 \times 106.0\%)$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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